

DIVISION A: FY2017 MILITARY CONSTRUCTION, VETERANS AFFAIRS AND RELATED AGENCIES APPROPRIATIONS

The Continuing Resolution includes the House-Senate conference agreement on the FY2017 Military Construction, Veterans Affairs, and Related Agencies (MilCon-VA) Appropriations Bill. The bill provides \$82.3 billion in FY2017 discretionary funding, \$2.5 billion above the FY2016 level.

The agreement provides record funding levels for the Department of Veterans Affairs (VA), including increases for health care, benefit claims processing, the Board of Veterans Appeals, the VA Inspector General, medical and prosthetic research, and information technology. The agreement provides a 4.1 percent increase over the FY2016 level. In addition to meeting the needs of veterans, the bill will also fund housing for military personnel and their families, and support critical infrastructure and facilities for U.S. military forces.

Conferees agreed to include a provision similar to one adopted by the Senate Appropriations Committee that would allow the VA to cover fertility services, including in-vitro fertilization, for veterans with injuries that cause infertility. The agreement includes safeguards to prevent three-parent embryos or cloning, and also allows funds to be used for adoption services.

The conference agreement recommends \$7.72 billion for military construction projects, including funds for large and small construction and renovation projects on military bases within the United States and around the globe. The bill also includes \$172 million in projects requested for Overseas Contingency Operations and \$615 million to fund projects from the Service Chiefs' unfunded priority list.

Military Construction and Veterans Affairs Appropriations Summary

The FY2017 MilCon-VA Appropriations Bill totals \$82.3 billion in discretionary funding, \$2.5 billion above the FY2016 level and \$372 million below the President's budget request.

Military Construction – \$7.72 billion for more than 200 military construction projects, \$445 million below the FY2016 level and \$282 million above the President's request. The bill funds \$172 million in projects requested for Overseas Contingency Operations, and \$615 million to fund priority projects from the Service Chiefs' unfunded list.

- **Missile Defense** – \$155 million to fully fund the first phase construction of the Long Range Discrimination Radar in Clear, Alaska.
- **European Reassurance Initiative** – \$113.6 million to fully fund construction projects in support of U.S. allies through the European Reassurance Initiative.
- **Military Family Housing** – \$1.3 billion for construction, operation and maintenance of military family housing for FY2017, \$128 million below the

FY2016 level. The funding will ensure quality housing is sustained for the nearly 1.4 million military families currently served by the program.

- **Military Medical Facilities** – \$349.8 million for construction or alteration of military medical facilities. This funding will allow for continued support and care for 9.8 million eligible beneficiaries, including wounded U.S. troops abroad.
- **Department of Defense (DoD) Education Facilities** – \$272 million for essential safety improvements and infrastructure work at four military school facilities located within the United States and overseas.
- **Guard and Reserve** – \$673 million to support the construction needs of the Guard and Reserve, an increase of \$122 million above the FY2016 enacted level.
- **NATO Security Investment Program (NSIP)** – \$178 million for infrastructure necessary for wartime, crisis, and peace support and deterrence operations, and training requirements. The funds will support responses to the challenges posed by Russia and to the risks and threats emanating from the Middle East and North Africa.

Department of Veterans Affairs (VA) – The legislation includes \$176.9 billion in both discretionary and mandatory funding for the VA, an increase of \$14.2 billion above the FY2016 level. These resources will provide the services and care earned by veterans through their loyal and dedicated service to the nation.

Discretionary funding for VA programs totals \$74.4 billion, \$2.9 billion or 4 percent above the FY2016 enacted level. The bill makes an additional \$1.3 billion in medical care funding available FY2017 to improve patient access to care, and to support additional health care services including hepatitis C treatments, veterans' caregiver services, and homeless veterans' assistance.

- **VA Medical Care** – \$65 billion to support treatment and care for approximately 9.2 million patients in FY2017. The bill outlines: \$7.2 billion for the new Medical Community Care account to provide non-VA care; \$1.5 billion for the treatment of Hepatitis C; \$675 million for medical and prosthetic research; \$535 million for health care specifically for women veterans; \$5.7 billion to care for Iraq and Afghanistan veterans; \$284 million for traumatic brain injury treatment; \$735 million for the Caregivers Program; and \$250 million for rural health initiatives.
- **VA Electronic Health Record** – \$260 million for continued modernization of the VA electronic health record system. The bill includes language restricting the use of this funding until the VA demonstrates functional improvements in the interoperability of a system to seamlessly exchange veterans' medical data among the VA, DOD and the private sector.
- **Disability Claims Processing** – \$180 million for the paperless claims processing system, \$143 million for digital scanning of health records, and \$27 million for centralized mail. To prompt greater national and regional progress in reducing VA claims backlogs, the bill maintains strict reporting requirements.
- **Construction** – \$900 million for major and minor construction associated with VA hospital replacement, continued correction of seismic deficiencies, scores of projects to improve access to VA health care, and the VA's National Cemeteries.

- **VA Mandatory Funding** – \$103.9 billion in advance FY2018 funding for veterans’ mandatory benefits. The bill fulfills mandatory funding requirements such as: veteran disability compensation programs for 4.4 million veterans and 405,000 survivors; education benefits for nearly 1.1 million veterans; guaranteed home loans for 429,000 veterans; and vocational rehabilitation and employment training for more than 141,000 veterans.
- **Advance Appropriations** – \$66.4 billion in advance FY2018 funding for veterans’ medical programs, the same level as the President’s request, to support VA medical services, medical community care, medical support and compliance, and medical facilities.

Related Agencies – The legislation also includes \$241.1 million in funding for:

- American Battle Monuments Commission – \$75.1 million
- U.S. Court of Appeals for Veterans Claims – \$30.9 million
- Arlington National Cemetery – \$70.8 million
- Armed Forces Retirement Home – \$64.3 million

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